No. 17-1594

IN THE

Supreme Court of the United States

RETURN MAIL, INC.,

Petitioner,

v.

UNITED STATES POSTAL SERVICE, ET AL.,

Respondents.

ON WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

BRIEF OF *AMICUS CURIAE* PROFESSOR TEJAS N. NARECHANIA IN SUPPORT OF RESPONDENTS

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INTEREST OF *AMICUS CURIAE*[1]

Amicus Tejas N. Narechania is a professor of intellectual property law at the University of California, Berkeley, School of Law.[2] *Amicus* has no personal interest in the outcome of this case, but has a professional and academic interest in seeing that the law develops in accord with the dictates of the Constitution and sound public policy.

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[1] This brief is filed with the consent of all parties. Pursuant to Supreme Court Rule 37.6, *amicus curiae* states that no counsel for any party authored this brief in whole or in part, and no entity or person, aside from *amicus curiae* and his counsel, made any monetary contribution intended to fund the preparation or submission of this brief.

[2] *Amicus* submits this brief in his individual capacity alone, and his institutional affiliation is listed for identification purposes only.

SUMMARY OF ARGUMENT

Through various review proceedings, the U.S. Patent and Trademark Office ("Patent Office") may reconsider its decision to grant a patent application and may rescind a patent that it concludes was awarded erroneously. Such patents—ones that never should have been granted—can have significant obstructive effects on private enterprise and government programs alike. The question presented in this case asks whether federal agencies, like private parties, can ask the Patent Office to review potentially invalid patents.

The answer must be yes. For decades, the Patent Office and other agencies have all understood the right to request additional patent review to extend to government entities. Indeed, many agencies have acted on that understanding by filing their own petitions to initiate post-issuance patent-review proceedings.

This longstanding practice of the Executive Branch is hardly surprising, given that potentially invalid patents often conflict with a wide array of regulatory objectives, including those related to border control, emergency service, national security, public health, and even tax collection. See generally Tejas N. Narechania, *Patent Conflicts*, 103 Geo. L.J. 1483 (2015). Post-issuance patent review provides the Executive Branch with a critical means of resolving these conflicts and vindicating the public's interests. Though the Government generally can also protect these interests through litigation, the patent-review mechanisms set forth in the Leahy-Smith America Invents Act ("AIA"), Pub. L. No. 112-29, 125 Stat. 284 (2011), are typically more efficient and more cost-effective.

Moreover, though private actors can attack potentially invalid patents through their own patent challenges, forcing the Government to rely solely on private actors to vindicate public interests can come at a serious cost. Private parties may choose not to challenge such patents for any number of reasons, financial or otherwise. Accordingly, to ensure regulatory compliance, the Executive Branch requires the flexibility to take on the costs of challenging such patents, rather than requiring regulated entities to take up that mantle. In addition, government agencies often possess expertise, if not the precise prior art, that can help inform the Patent Office's "second look" at an application. *Oil States Energy Services, LLC v. Greene's Energy Group, LLC*, 138 S. Ct. 1365, 1374 (2018). The Patent Office's sister agencies are thus especially well suited to add value to these patent-review proceedings, and thereby help the Patent Office discharge its own responsibilities to accurately pass upon patent applications.

Contrary to the submission of other *amici curiae*, reading the AIA to allow government agencies to continue to petition for patent review does not encroach upon the President's Article II powers. See Brief for the Cato Institute and Professor Gregory Dolin as *Amici Curiae* in Support of Petitioner 6–13 ("Cato Inst. Br."); cf. Brief for *Amicus Curiae* Pharmaceutical Research and Manufacturers of America in Support of Petitioner 13–15. Indeed, the opposite is true: Agency petitions for patent review strengthen the President's ability to "take Care that the Laws be faithfully executed" by providing a forum that helps the Patent Office as well as other federal agencies all carry out their respective statutory missions. U.S. Const. art. II, § 3.

For all these reasons, this Court should hold that the AIA permits government agencies to ask the Patent Office to review and, if appropriate, rescind a patent.

ARGUMENT

In § 18(a)(1)(B) of the AIA, the term "person" encompasses the President and his agents (i.e., executive officials and executive agencies).[3]

As set forth in greater detail in the Government's brief, the meaning of the word "person," when used in a statute, depends on several factors. See Brief for the Respondents 18–32. One such factor is the Executive Branch's historical understanding of the term. *Pfizer, Inc. v. Gov't of India*, 434 U.S. 308, 313 (1978). Here, that factor plainly counsels in favor of permitting agency challenges to potentially invalid patents. The Executive Branch has long interpreted the term "person" to encompass government agencies when the word is used in a statute that recognizes a right to request reexamination of a patent.

This longstanding practice makes sense. Invalid patents can conflict with an assortment of regulatory goals, ranging from preventing terrorist attacks to promoting public health. Patent-review proceedings thus provide the Executive Branch with a valuable means of vindicating the public's interests, just as they provide private parties with a valuable means of vindicating their own commercial or financial interests. Foreclosing the Government from petitioning for patent review would thus impinge the Executive Branch's ability to regulate effectively and

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[3] This argument also extends to analogous provisions in the AIA. See 35 U.S.C. §§ 311, 321.

would needlessly encumber a wide range of agencies, who would be forced to rely on private parties' independent decisions to challenge potentially invalid patents.

I. The Executive Branch Has For Decades Interpreted "Person" To Include The Government And Has A Longstanding Practice Of Pursuing Post-Issuance Patent Review.

For decades, the Executive Branch has understood the term "person" to encompass government agencies when it appears in statutes closely analogous to and preceding § 18(a)(1)(B). Prior to the AIA, several other statutes established administrative processes that allowed the Patent Office to reconsider its decision to grant a patent application. See, e.g., *Oil States Energy Services*, 138 S. Ct. at 1370–1371; *Cuozzo Speed Technologies, LLC v. Lee*, 136 S. Ct. 2131, 2137 (2016). These predecessor proceedings—ex parte reexamination and inter partes reexamination—could be sought by "[a]ny *person* at any time." 35 U.S.C. § 302 (ex parte reexamination) (emphasis added); 35 U.S.C. § 311 (1999 ed.) (inter partes reexamination) (emphasis added). But Congress declined to clarify whether it intended the word "person" to include the Government. In the face of this ambiguity, the Executive Branch has consistently interpreted "person" to encompass federal agencies.

Take the Patent Office's own practice first. Since at least 1981, the Patent Office's procedural manual, the Manual of Patent Examining Procedure (MPEP), has explained that the term "person," as used in these earlier patent statutes, encompasses "governmental entities." See MPEP § 2212 (9th ed., 2018), available at http://bit.ly/MPEP-2212 (ex parte reexamination);

MPEP § 2212 (4th ed., 1981), available at http://bit.ly/old-MPEP-2212 (same); MPEP § 2203 (9th ed., 2018), available at http://bit.ly/old-MPEP-2203 (inter partes reexamination); see also Brief of New York Intellectual Property Law Association as Amicus Curiae in Support of Neither Party 34–35, 37–38.

Other federal agencies have also understood the term "person," as used in these statutes, to extend to themselves: Since Congress established these administrative mechanisms for reconsidering prior patent grants, a range of agencies have filed requests for reexamination. The Department of Justice, for example, asked the Patent Office to reexamine a patent that claimed, among other things, a "method for neutralizing explosive devices." *United States v. McGrath*, Appeal No. 2014-008255, 2014 Pat. App. LEXIS 8795, at *2 (PTAB Dec. 31, 2014). The Patent Office agreed to do so, and it ultimately cancelled all the patent's claims, finding them obvious in light of other patents owned by defense contractors. *Id.* at *9; see 35 U.S.C. § 103 (claim must be non-obvious to be patentable). Similarly, the U.S. Postal Service sought reexamination of an earlier version of the patent at issue in this case. In that proceeding, the Patent Office agreed that it had erroneously granted Return Mail's application, and it cancelled the patent's original claims—while allowing Return Mail to add new, additional claims in the process. See Ex Parte Reexamination Application No. 90/008,470 (Aug. 2, 2010);[4] see also *U.S. Postal Service v. Return Mail,*

[4] This decision is available through the Patent Office's website, at https://portal.uspto.gov/pair/PublicPair. The proceeding can be found by searching by its application number, 90/008,470. The cited decision can be accessed under "Image File Wrapper" tab,

Inc., Case No. CBM2014-00116, 2015 Pat. App. LEXIS 12853, at *4 (PTAB Oct. 15, 2015) (describing the patent's procedural history); Brief for the Respondents 28–29.

Against the backdrop of this Executive Branch practice, Congress enacted the AIA, using the same language—"person"—as in the AIA's predecessor statutes. See § 18(a)(1), 125 Stat. at 329; see also 35 U.S.C. § 311(a); *id.* § 321(a). Congress was presumably aware of the Executive Branch's interpretation of the word "person" in these predecessor statutes, see *Lorillard v. Pons*, 434 U.S. 575, 580 (1978) (presuming congressional awareness of executive interpretations), and yet Congress chose to use precisely the same term, making no attempt to exclude federal agencies from the new provisions' scope. This congressional re-enactment is a signal of the Legislative Branch's approval of the Executive Branch's existing practice of petitioning for patent review.[5] See, e.g., *United States v. Cerecedo Hermanos y Compania*, 209 U.S. 337, 339 (1908) ("[R]e-enactment by Congress, without change, of a statute which had previously received long-continued executive construction, is an adoption by Congress of such construction.").

Not surprisingly, given Congress's continued use of "person" in the AIA, the Executive Branch's practice of asking the Patent Office to review potentially invalid

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as the document titled "Reexam – Final Rejection," and dated August 2, 2010.

[5] Indeed, Congress has not enacted, or even given serious consideration to, any bill to push back against the Executive Branch's longstanding interpretation, whether before or after passing the AIA.

patents has continued unabated since the AIA's enactment. The Department of Homeland Security ("DHS"), for example, has petitioned the Patent Office for inter partes review of a patent covering a system for detecting explosive agents. Following administrative proceedings, the Patent Office agreed with DHS's view that the challenged patent claims were invalid. *U.S. Dep't of Homeland Security v. Golden*, Case No. IPR2014-00714, 2015 Pat. App. LEXIS 13026, at *2–*3 (PTAB Oct. 1, 2015).

As this history demonstrates, ever since Congress created administrative mechanisms for challenging suspect patents, the Patent Office has welcomed the participation of its sister agencies. This unbroken Executive Branch practice counsels strongly in favor of reading the word "person" in the AIA to include the Government. See *Pfizer*, 434 U.S. at 313; Brief for the Respondents 25–32.

II. Allowing The Government To Pursue Post-Issuance Patent Review Helps Protect The Interests Of The Executive Branch.

A. Invalid patents often conflict with the regulatory objectives of the Executive Branch.

It is hardly surprising that the Executive Branch has relied on patent-review mechanisms to challenge suspect patents. Invalid patents can interfere with a wide array of regulatory objectives. See, e.g., Narechania, *supra*, at 1541–42 (listing real-world conflicts between regulatory objectives and intellectual property rights, including potentially invalid patents). In such a scenario, an agency may understandably feel compelled to ask the Patent Office to take a second look at the questionable and problematic patent.

Take, for example, the Department of Homeland Security. That Department is tasked with "prevent[ing] terrorist attacks within the United States" and "reduc[ing] the vulnerability of the United States to terrorism." 6 U.S.C. § 111. In service of that mission, DHS instituted a research initiative called "Cell All," which sought to embed hazardous-materials sensors in cell phones. U.S. Dep't of Homeland Security, *DHS/S&T/PIA-021 Cell All*, May 26, 2016, https://www.dhs.gov/publication/dhsstpia-021-cell-all. But that effort was met with a lawsuit accusing the Government of infringing a patent whose specification described sensors housed within "products" to "prevent[] terrorist activity by monitoring" critical or vulnerable sites. U.S. Reissue Patent No. RE43,990; see also *Golden v. United States*, 137 Fed. Cl. 155 (2018). In response, DHS asked the Patent Office to review the patent before the litigation proceeded. See *supra* p. 8. The Patent Office agreed, and ultimately cancelled each of the claims that the Department had challenged. *U.S. Dep't of Homeland Security v. Golden*, Case No. IPR2014-00714, 2015 Pat. App. LEXIS 13026, at *2–*3 (PTAB Oct. 1, 2015).

The Department of Health and Human Services ("HHS"), too, has been plagued by wrongly granted patents. In 2010, an HHS advisory committee concluded that certain gene patents "pose[d] serious obstacles" to core facets of the Department's mission. Secretary's Advisory Comm. on Genetics, Health & Society, Department of Health & Human Services, *Gene Patents and Licensing Practices and Their Impact on Patient Access to Genetic Tests* 89 (2010), available at http://bit.ly/HHS-2010-Rpt; see also Arti K. Rai, *Patent Validity Across the Executive Branch: Ex Ante Foundations for Policy Development*, 61 Duke L.J. 1237, 1258–1262 (2012). Specifically, the

committee said that the "substantial number of patents claim[ing] gene molecules" was "hindering the development" of genetic research and testing techniques, inhibiting patient access to existing genetic testing, and diminishing the quality of existing testing. Secretary's Advisory Comm. on Genetics, *supra*, at 3–4. Each of these consequences conflicts with that Department's statutory mandate to "encourage, cooperate with, and render assistance to . . . scientists in the conduct of . . . research, investigations, experiments, demonstrations, and studies relating to" human diseases. 42 U.S.C. § 241(a); *see also id.* § 280b (requiring the Secretary to "conduct . . . research relating to the causes, mechanisms, prevention, diagnosis, treatment of injuries, and rehabilitation from injuries"); see also 80 Fed. Reg. 77,960 (Dec. 15, 2015) (the Department's function is to "promot[e] effective health and human services and . . . foster[] sound, sustained advances in the sciences underlying medicine [and] public health."). And this Court has since unanimously held that many of these problematic patents were invalid all along. See *Association for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576 (2013).

The IRS faced a considerable threat to its tax-compliance goals when, in 2003, the Patent Office began to grant patents claiming tax-reduction strategies. U.S. Patent & Trademark Office, U.S. Patent Classification 705/36T, http://bit.ly/PTO-Tax-Patents (patent subclass named "Tax Strategies"). Apparently unbeknownst to the Patent Office, many of these strategies seemed to be based on the IRS's own guidance, likely rendering them non-patentable as obvious or anticipated. See 35 U.S.C. §§ 102, 103; Jack Cathey et al., *Tax Patents Considered*, J. Accountancy 40, 40–41 (July 1, 2007) (noting that U.S. Patent No.

7,149,712 "covers a strategy . . . [that] was approved by the IRS in 1989 in Letter Ruling 9009047 and addressed favorably by the IRS in 1997 in Technical Advice Memorandum 9825001"); 157 Cong. Rec. S1199 (daily ed. March 3, 2011) (noting a patent that "resembles the facts and results" of an IRS ruling predating the patent's application date). After grappling with tax strategy patents for three years, the IRS in 2006 voiced its concerns, among them the possibility that a patent can give a veneer of legality to a tax strategy, and that some patents effectively fenced off access to features of federal law. See Patented Transactions, 72 Fed. Reg. 54,615, 54,615 (proposed Sept. 26, 2007); AJCA Modifications to the Section 6011 Regulations, 71 Fed. Reg. 64,488, 64,490 (proposed Nov. 2, 2006); see also 157 Cong. Rec. S1202 (daily ed. March 3, 2011) (statement of Sen. Grassley).[6]

These examples are just a small sample. Similar conflicts between a potentially invalid patent and an agency's regulatory objectives abound. The Government has identified a patent that gives its owner a monopoly over compliance with border control statutes. See *infra* p. 14. The Environmental Protection Agency likewise once concluded that, because a relevant pollution-control technology used for dry cleaners was patented, emissions control was "not achievable" within the meaning of the Clean Air Act. National Emission Standards for Hazardous Air Pollutants for Source Categories: Perchloroethylene Emissions from Dry Cleaning Facilities, 57 Fed. Reg.

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[6] Congress has since banned such tax strategy patents. See Leahy-Smith America Invents Act, Pub. L. No. 112-29, § 14(a), 125 Stat. 284, 327 (2011). But that provision does not purport to retroactively cancel already-issued tax strategy patents.

45,363, 45,363–69 (proposed Oct. 1, 1992). And patents appear to be delaying compliance with improvements to emergency 911 systems mandated by the Federal Communications Commission. Narechania, *supra*, at 1498–99.

Stated simply, a single potentially invalid patent can, in a wide range of contexts, frustrate an agency's ability to carry out its statutory mandates and fulfill its regulatory objectives as it sees fit.

B. Post-issuance patent review helps the Executive Branch resolve these conflicts and vindicate the public's interests.

Given the frequency of these collisions between potentially invalid patents and agencies' regulatory mandates, the Executive Branch's longstanding practice of invoking the administrative mechanisms in the AIA and its predecessor statutes is especially significant. The AIA's patent-review procedures provide a critical avenue for the Executive Branch to challenge such questionable patents and thus to vindicate the public's interests.

1. The Government can employ post-issuance review proceedings to efficiently and inexpensively challenge invalid patents that are interfering with an agency's congressional mandates.

To be sure, if this Court were to hold that the AIA does not permit federal agencies to request post-issuance review, the Executive Branch would not be entirely without recourse. The Government can, for instance, file a counterclaim of invalidity if a patentee sues it for infringement. If, however, an agency decides that a likely invalid patent is problematic enough to justify an affirmative challenge, litigation

may not provide a viable solution. Compare, e.g., *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 126–137 (2007) (clarifying the threshold showing needed to satisfy Article III and pursue a claim for a declaratory judgment of patent invalidity) with, e.g., *Cuozzo*, 136 S. Ct. at 2143–44 (petitioners in inter partes review "may lack constitutional standing"). And, in any event, for many of the same reasons that Congress created post-issuance administrative processes in the first place, those processes are often preferable to litigation as a means of resolving conflicts between potentially invalid patents and governmental objectives: they are both more efficient and more cost-effective. See, e.g., H.R. Rep. No. 112-98, pt. 1, at 39–40 (2011) (the AIA's administrative procedures offer an "efficient system for challenging patents that should not have issued," and are intended to "limit unnecessary and counterproductive litigation costs"); see also Brief for the Respondents 29-30.

2. Protecting the Executive Branch's continued right to petition for post-issuance patent review helps the Government ensure regulatory compliance.

Because patents frequently conflict with regulatory programs, regulated entities are often faced with a costly choice: They must either bear the costs of challenging (or else licensing) a potentially invalid patent, or they must risk noncompliance with regulatory requirements. See Michael J. Meurer, *Controlling Opportunistic and Anti-Competitive Intellectual Property Litigation*, 44 B.C. L. Rev. 509, 512–16 (2003) (explaining that putative patent defendants often "settle opportunistic claims" to avoid litigation costs, even where the patent "is unlikely to be valid").

Alternatively, regulators can facilitate compliance by shouldering the costs of a challenge (and, if unsuccessful, by paying a reasonable royalty for the use of the patented technology).

Another example is illustrative: IRIS Corporation holds a patent that covers electronic passport technology. IRIS brought suit against Japan Airlines alleging that, by complying with various U.S. border-security laws requiring electronic passport examination, Japan Airlines had infringed IRIS's patent. *IRIS Corp. v. Japan Airlines Corp.*, 769 F.3d 1359, 1361 (Fed. Cir. 2014). In fact, IRIS's patent covered the *only* possible method of complying with those federal security regulations. *Id.* at 1362. The litigation thus put Japan Airlines to the choice set forth above: It could bear the costs of challenging (or licensing) IRIS's patent, or it could risk noncompliance with federal border-security laws.

The Government's ability to petition for post-issuance patent review gives regulated entities like Japan Airlines a way out of that quandary, and improves the odds of compliance with critical regulations. The Government can decide to bear the costs of challenging IRIS's patent and ask the Patent Office to take a second look at the prior art describing machine-readable passports and related technologies.[7]

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[7] Indeed, that is precisely what happened. The Department of Justice filed a petition, and the Patent Office instituted review, concluding that IRIS's patent is "reasonabl[y] likel[y]" to be invalid. See 35 U.S.C. § 314(a); *Dep't of Justice v. IRIS Corp. Berhad*, Case No. IPR2016-497, 2016 WL 5105599 (PTAB July 25, 2016). The Patent Office later terminated the proceeding for procedural reasons related to the relevant statute of limitations. See Order, *Dep't of Justice v. IRIS Corp. Berhad*, Case No. IPR2016-497 (PTAB July 19, 2017) ECF No. 47.

In so doing, the Government can promote compliance with key regulatory obligations.

In the case of tax strategy patents, see *supra* pp. 10–11, it seems especially suitable for the IRS to have the power to shoulder the burden of challenging any remaining tax strategy patents of suspect validity. Indeed, that may be the only path to resolving any conflicts between such patents and the IRS's objectives. The professional accounting community believes itself to be unable to challenge the validity of tax strategy patents without implicating their confidentiality obligations to their clients. 157 Cong. Rec. S1199 ("[T]ax professionals . . . may be unable, as a practical matter, to challenge the validity of TSPs as being obvious or lacking novelty, due to their professional obligations of client confidentiality."). This constraint on accountants as patent challengers would appear to apply regardless of venue—district court litigation or Patent Office adjudication. But the IRS faces no such constraint, and thus is uniquely positioned to lead the charge against the likely invalid patents frustrating its regulatory goals.

3. Agency participation in post-issuance review also helps the Patent Office discharge its duty to enforce the patent laws by setting aside invalid patents and affirming valid ones. Agencies often possess expertise—if not the precise prior art—that can helpfully inform the Patent Office's second look at a patent. Agencies can marshal their considerable technical and specialized knowledge to demonstrate why an issued patent is not meaningfully distinct from prior art, or to explain why the claimed invention is obvious or not novel. Foreclosing the Government from petitioning for review could thus deprive the Patent Office of a resource invaluable to carrying out

its responsibility to accurately assess patent applications. See *In re Morris*, 127 F.3d 1048, 1054 (Fed. Cir. 1997) ("It is the [Patent Office]'s duty to assure that the statutory requirements for patentability are met.").

In the case of tax strategy patents, for example, the IRS is almost certainly the party most likely to be aware of any rulings or memoranda that could have formed the basis of a patented tax strategy. At a minimum, the IRS seems comparatively more likely to identify and explain such prior art than the Patent Office acting alone.

The history of this case also helps prove the point. As noted above, see *supra* pp. 6–7, the Postal Service earlier sought reexamination of a prior version of the patent at issue in this case. Its request for reexamination pointed to several Postal Service publications as prior art that raised substantial questions about the patentability of the original application. See 35 U.S.C. § 303. And the Patent Office's decision cited those Postal Service documents, explaining that several aspects of the patent were invalid because they claimed practices that were "well known in the art as evidenced by the U.S. Postal Service Publication 'Postal Automated Redirection System—The USPS Solution.'" Ex Parte Reexamination Application No. 90/008,470 (Aug. 2, 2010).

The IRS and the Postal Service are not unique. Any agency can draw upon the depth and breadth of its expertise to help inform the Patent Office's post-issuance decisionmaking process. Agency participation can, accordingly, bolster the effectiveness of the Executive Branch as a whole, not only by helping the petitioning agency in carrying out

its own mission, but also by helping the Patent Office discharge its own duty to issue valid patents and reject invalid applications. See *Cuozzo*, 136 S. Ct. at 2140 (citing H.R. Rep., at 45, 48 (explaining that the AIA seeks to "improve patent quality and restore confidence in the presumption of validity that comes with issued patents") and 157 Cong. Rec. H4425 (daily ed. June 22, 2011) (remarks of Rep. Goodlatte) (noting that post-issuance patent review "screen[s] out bad patents while bolstering valid ones")).

III. Permitting Agencies To Petition For Post-Issuance Patent Review Poses No Constitutional Concern

For the foregoing reasons, the Government's power to petition for post-issuance patent review strengthens the President's ability to "take Care that the Laws be faithfully executed." U.S. Const. art. II, § 3. By filing a petition, the President's subordinate agencies can challenge—and perhaps invalidate—questionable and problematic patents that are encumbering their ability to enforce the law. Equally important, such challenges help the Patent Office carry out its own responsibility to accurately adjudge patent applications. Consequently, any construction of "person" that excludes the Government would necessarily weaken the President's ability, through his agencies, to honor these Article II responsibilities.

Notwithstanding these advantages, *amici curiae* have suggested that permitting agencies to petition for post-issuance review raises constitutional concerns. *See* Cato Inst. Br. at 7–11. According to the Cato Institute and its partner *amicus*, reading "person" to extend to executive agencies would "undermine the President's control over the Executive Branch." *Id.* at 6. Not so. The opposite is true.

As discussed above, the Executive Branch has a long-established practice of participating in the Patent Office's post-issuance review proceedings. See *supra* Part I. The Executive Branch has not adopted this practice out of necessity. The Director of the Patent Office is a political appointee who serves at the pleasure of the President. *See Oil States Energy Services*, 138 S. Ct. at 1380 (Gorsuch, J., dissenting). The President could thus presumably ask the Director to consider whether a questionable patent—one that conflicts with an important federal program—merits reexamination. See 35 U.S.C. § 303(a) (the Director may initiate reexamination *sua sponte*). But that is not what the President has done. Instead, the President has traditionally favored having executive agencies petition the Patent Office for post-issuance review when a potentially invalid patent is frustrating their administrative priorities. In other words, the Executive Branch's longstanding practice of petitioning for post-issuance patent review as appropriate reflects the President's decision regarding the best way to ensure accuracy in patent awards and to resolve conflicts between apparently invalid patents and other regulatory programs. To end this practice, as Petitioner requests, would be an undue restriction on the President's authority—not the other way around.

Amici focus much of their attention on independent agencies, whose patent-review petitions, in their view, pose a special threat to Presidential control. But this case itself illustrates the manner in which an independent agency's effort to cancel an invalid patent can advance the President's objectives, even if that agency's leadership has some protection from removal. On April 12, 2018, the President issued an Executive Order that sought to curb the "substantial and

inflexible costs" that have impaired the ability of the Postal Service to "compete fairly in commercial markets." Exec. Order No. 13,829, § 1(a), (b), 83 Fed. Reg. 17281 (April 12, 2018). The Executive Order created a task force to evaluate the operations and finances of the Postal Service, an independent agency. *Id.* § (2)(a). That task force recommended that the Postal Service "pursue new cost-cutting strategies that will enable it to meet the changing realities of its business model." United States Postal Service: A Sustainable Path Forward, Report from the Task Force on the United States Postal System at 5 (Dec. 4, 2018). Petitioning for patent review is one such strategy. Though the Postal Service filed its petition before the President issued his Order, the agency's effort to invalidate a wrongly granted patent that is raising its costs quite clearly aligns with—indeed, advances—the express priorities of the President. But had the Postal Service been barred from filing a petition, the agency would have been forced to choose between continuing its costly infringement defense and licensing a patent that the agency (and now the Patent Office) believes to be invalid. Both of those outcomes are plainly antithetical to the policy set forth in the President's Executive Order. At least in the context of this case, then, foreclosing independent agencies from challenging dubious patents—as opposed to allowing them to do so—would impose the greater "limit[on] the President's executive authority." Cato Inst. Br. at 7.

Moreover, even if the President disagreed with an independent agency's view of a particular patent's validity, the President retains control over the Patent Office's proceeding. As noted, the President can ask the Director to take any official action permitted by law—including, say, to deny a petition that fails to

show that a patent is "reasonabl[y] likel[y]" to be invalid. 35 U.S.C. § 314(a). Hence, when an agency petitions the Patent Office (and, thus, indirectly, the President) to review a patent, the President, acting through the Director, can simply decline to do so. That decision to deny institution of review—a decision committed to the unreviewable discretion of the Director—would end the matter. *See Cuozzo*, 136 S. Ct. at 2136. This arrangement cannot possibly impair the President's authority in any constitutionally significant way, if at all.[8]

Nevertheless, *amici* argue that this Court should construe "person" narrowly or else risk the "constitutional oddity of a case pitting two agencies in the Executive Branch against one another." Cato Inst. Br. 8–11 (quoting *SEC v. Fed. Labor Relations Auth.*, 568 F.3d 990, 996 (D.C. Cir. 2009) (Kavanaugh, J., concurring)). But *amici*'s fears of an "Executive Branch at war with itself" are unfounded. *Id.* at 9. As a practical matter, construing the term "person" to

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[8] Insofar as *amici*'s concerns arise from the fact that the President lacks the authority to control whether an independent agency petitions for patent review, *amici*'s real quarrel is with the very nature of independent agencies. After all, an independent agency is, by statutory design, an agency over which the President may exercise only limited control. If, however, *amici*'s complaint is instead that permitting agencies to petition for post-issuance review deprives the President of a power he would otherwise have, that concern falls flat for a different reason: the President, as a general matter, cannot control what petitions are filed. Regardless of the petitioner's identity—private party or independent agency—the President may control the process through his authority over the Patent Director, as described above. Hence, allowing independent agencies to petition for patent review does not derogate from the President's ordinary authority.

include the Government presents no real risk of dividing the Executive Branch against itself. First, a petitioning agency is not adverse to the Patent Office when it participates in a post-issuance patent-review proceeding. Rather, the agency is adverse to the *patentee*, and the Patent Office simply serves as the arbiter of the dispute. *See SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1355 (2018) ("Congress opted for a party-directed, adversarial process."). The Patent Office's Patent Trial and Appeal Board is thus analogous to the Justice Department's immigration courts, which oversee adversarial proceedings between the Department of Homeland Security and specific individuals. Cf., e.g., *Pereira v. Sessions*, 138 S. Ct. 2105, 2112 (2018); *id.* at 2124 (Alito, J., dissenting) (2018). This scenario, where one agency is a party in another agency's forum, does not implicate any constitutional concerns.

Second, even accounting for the prospect of an appeal from the Patent Office's patent-review decision, there is no real concern that the Patent Office would find itself adverse to an independent-agency petitioner. Indeed, as far as this *amicus* has been able to determine, there has not been a single case where the Patent Office has faced off against another agency in federal court over a patent's validity.

This makes sense. The Patent Office typically intervenes to defend *cancellation* of a patent, generally when the prevailing petitioner has declined to defend the Patent Office's decision on appeal. *See* 35 U.S.C. § 143 (permitting Patent Office to intervene on appeal in the Federal Circuit); *Knowles Electronics LLC v. Iancu*, 886 F.3d 1369, 1378 (Fed. Cir. 2018); *Victaulic Co. v. Iancu*, No. 2017-2424, -2426, 2018 WL 6264235, at *3 n.2 (Fed. Cir. Nov. 29, 2018); *In re NuVasive, Inc.*,

842 F.3d 1376, 1379 n.1 (Fed. Cir. 2016); *In re Cuozzo Speed Technologies, LLC*, 793 F.3d 1268, 1272 & n.2 (Fed. Cir. 2015). Hence, where an agency has successfully challenged a private patent, the Patent Office and that petitioning agency would be aligned on appeal. That is, even if the Patent Office were to intervene to defend its cancellation decision in such a case, there would be no intra-Executive clash.

And if, instead, the Patent Office instituted review but ultimately affirmed the patent's validity, there would still be no constitutional conflict. As an initial matter, the fact of an agency's appeal cannot itself present a constitutional problem: It is not uncommon for agencies, even after consulting with each other, to have different interpretations of federal law, nor is it uncommon for one agency to appeal a decision of another. E.g., Daniel A. Farber & Anne Joseph O'Connell, *Agencies as Adversaries*, 105 Cal. L. Rev. 1375, 1404–05 (2017). No constitutional command requires agencies to agree with one another all the time. And to the extent *amici*'s complaint is that "independent agencies can act contrary to [the President's] wishes with little repercussion," Cato Inst. Br. at 13, that is a complaint about the power of independent agencies, not about the scope of post-issuance patent review.

Moreover, any such appeal would remain, as it was in the Patent Office, a dispute between the requesting agency and the patent owner. That sort of appeal presents no real risk of "pitting two agencies in the Executive Branch against one another," *SEC*, 568 F.3d at 996 (Kavanaugh, J., concurring), because the patentee has every incentive to defend its patent against the agency's continued challenge on appeal. There is no need for the Patent Office to intervene in

such a case—and, as noted, as far as *amicus* is aware, it never has.[9]

In short, there is virtually no scenario in which an agency's petition for post-issuance patent review could ultimately result in two arms of the Executive Branch being adverse to one another.[10] And there is no reason

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[9] And even in the highly unlikely event that the Patent Office institutes review, but nevertheless finds the challenged patent to be valid, and then also decides to intervene (alongside the patent owner) to defend its decision against the appealing agency, *amici* concede, as they must, that "this Court's precedents permit [such] suits." Cato Inst. Br. at 11. Moreover, although *amici* seem to imply that inter-agency conflicts are rare, "battles, between and within agencies," are nearly "constant" across the administrative state. Farber & O'Connell, 105 Cal. L. Rev. at 1387–1407 (describing an array of similar examples from within the Executive Branch); see also, e.g., *In re U.S. Dep't Of Navy, Kingsville Naval Air Station*, 9 E.A.D. 19 (EPA 2000) (administrative action brought by the Environmental Protection Agency against the Department of the Navy, alleging that the Navy violated regulations on lead-based paint hazards); *Dep't of Treasury v. Fed. Labor Relations Auth.*, 494 U.S. 922, 924 (1990) (dispute between the IRS and the FLRA over whether the IRS could be required to negotiate with union employees about the grievance and arbitration provisions in their contracts); Memorandum from David J. Barron, Acting Assistant Att'y Gen., Office of Legal Counsel, to Attorneys of the Office, Re: Best Practices for OLC Legal Advice and Written Opinions 1–3 (July 16, 2010) (OLC resolves "interagency dispute[s]" by issuing "controlling legal advice" through formal opinions).

[10] It is, however, possible for an agency to end up adverse to the Patent Office when a *private party* petitions for post-issuance review of a patent held by a government agency. If the Patent Office cancels the agency's patent and the agency appeals, then the Patent Office may intervene to defend its decision—and the agency and the Patent Office would thus be adverse to one another. Thus, even a ruling for Petitioner—which would preserve a private party's ability to challenge an agency patent—

to impose a clear statement rule in response to an entirely illusory constitutional threat. Cf. John F. Manning, *Clear Statement Rules and the Constitution*, 110 Colum. L. Rev. 399, 399–405 (2010) (criticizing some "constitutionally-inspired" clear statement rules on the ground that they can "slight some [constitutional] values relative to others.").

Congress's purpose in creating post-issuance patent-review proceedings was to "protect the public's paramount interest in seeing that patent monopolies are kept within their legitimate scope." *Cuozzo*, 136 S. Ct. at 2144 (alterations, citation, and quotation marks omitted). Agency participation in these proceedings helps the President take care that the laws—the patent laws *and* the postal laws, among others—are faithfully executed. This Court should not construe "person" in a way that dilutes these purposes in order to avoid an entirely hypothetical concern of intra-Executive conflict over a patent's validity.

CONCLUSION

This Court should affirm the Federal Circuit's judgment.

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cannot foreclose entirely the "constitutional oddity" that *amici* fear.

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